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ONE HUNDRED SEVENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON THE JUDICIARY

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September 27, 2002

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The Honorable Richard A. Gephardt
House Minority Leader
H-204 Capitol Building
Washington, D.C. 20515-6537

Dear Mr. Leader:

We understand that H.R. 556, the Unlawful Internet Gaming Funding Prohibition Act, sponsored by Representative Leach, is likely to come to the House floor on the suspension calendar for a vote next week. This bill purports to make it a crime to accept payment by credit card, check or electronic fund transfer for unlawful Internet gaming transactions. In fact, H.R. 556 would arguably create the first federal authorization for Internet gaming. We would like the opportunity to address serious policy issues related to exemptions under the bill when the House considers this legislation. We ask that you contact Speaker Hastert immediately to inform him that this legislation is not an appropriate candidate for the suspension calendar pursuant to Rule XV of the House of Representatives.

Despite claims by the sponsors and other proponents, H.R. 556 is a controversial bill. Under Rule XV, usually reserved for non-controversial bills, there is no opportunity to offer amendments. Online gaming is too important of an issue to be considered without amendment. This legislation affects millions of consumers, imposes new regulations on the Internet and impacts States in their authority to regulate gaming and their ability to collect tax revenue. In our view, this legislation has little to no likelihood to be considered by the Senate in the closing days of this session. Therefore, passage under suspension would do nothing more than provide a possible legislative victory at the close of Congress for certain special interests who have long advocated this approach to Internet gaming.

During this session of Congress, the online gaming issue was considered by both the Financial Services and the Judiciary Committees. During the Judiciary Committee mark-up of Representative Goodlatte's online gaming bill (H.R. 3215), amendments to strip the bill of carve outs for various gaming interests were passed on a roll call vote with bipartisan support. The version of H.R. 556 that the Republican Leadership seeks to bring to the floor is a brand new version of the legislation that has not even been

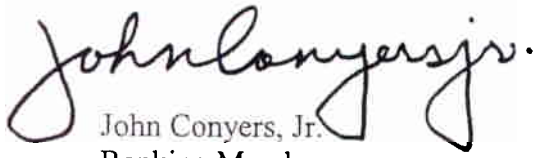
circulated among Members of the Judiciary Committee. Furthermore, Committees with jurisdiction over this issue have not been afforded the opportunity to consider the bill in its current form which contains language that could undo the work of the Judiciary Committee on this critical issue.

We believe, therefore, that the issues we addressed at the Committee level now need to be readdressed as this legislation is brought to the floor. Anything less than a full and fair opportunity to debate and amend this bill during consideration on the floor would subvert the rules and the legislative process.


Additionally, H.R. 556 will create a backdoor authorization for Internet gaming without addressing the Wire Act. We strongly believe that all Federal Laws on this issue need to be consistent in order to ensure effective enforcement.

We will be sending letters to our colleagues to address our specific concerns regarding this bill and urging them to vote against H.R. 556. In the first instance, however, we ask that you work with us to prevent the bill from being called under suspension.

Sincerely,



John Conyers, Jr.
Ranking Member
House Judiciary Committee



Bobby Scott
Ranking Member
Subcommittee on Crime,
Terrorism, and Homeland Security